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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:) Case Nos. 19 -30088 (DM)
) 19 -30089 (DM)
PG&E CORPORATION,)
) Chapter 11
Debtor.)

Tax I.D. No. 94-3234914

In re:

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtor.) STATEMENT OF PENINSULA CLEAN
) ENERGY AUTHORITY (A) IN SUPPORT OF
) DEBTORS' MOTION FOR POSTPETITION
Tax I.D. No. 94-0742640) FINANCING AND (B) RESERVATION OF ITS
) RIGHTS

Peninsula Clean Energy Authority (“PCE”) submits this (i) Statement in Support of the motion of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) for approval of the Motion of the Debtors for Interim and Final Orders (I) Authorizing the Debtors to Obtain Senior Secured, Superpriority, Postpetition Financing, (II) Granting Liens and Superpriority Claims, (III) Modifying the Automatic Stay, (IV) Scheduling Final Hearing and (V) Granting

1 Related Relief dated January 29, 2019 [ECF No. 23] (the “DIP Motion”), and (ii) to reserve the
2 rights of PCE with respect to any modifications of the proposed Interim DIP Order.¹

3 1. PCE is a clean energy provider and a “Community Choice Aggregator” (“CCA”)
4 created by the County of San Mateo and all twenty of its cities. In brief, pursuant to California law,
5 PCE sources the electricity supplied to approximately 98% of all commercial and residential
6 consumers within San Mateo County. This amounts to hundreds of thousands of consumers.
7 However, as also provided by California law, Pacific Gas and Electric Company (the “Utility”) is
8 responsible for metering, billing and delivering that electricity. The Utility then remits to PCE its
9 revenues daily, revenues that PCE must have to meet its obligations.

10 2. The relief requested by the Debtors in the DIP Motion is critical for the Debtors’
11 reorganization efforts, and to ensure that PG&E will be able to continue providing safe and reliable
12 gas and electric service to its millions of customers while it undergoes restructuring. Without access
13 to postpetition financing, the Debtors’ ability to provide services to its customers would be
14 imperiled. As stated in the DIP Motion, “[t]his proposed postpetition financing is necessary to
15 restore financial stability to PG&E as it undergoes reorganization and access to the interim amount is
16 critical to avoid immediate and irreparable harm not only to the Debtors but also to the 16 million
17 customers in the State of California who rely on the electricity and gas services provided by the
18 Debtors.” (DIP Motion, p. 7).

19 3. Importantly, the proposed Interim DIP Order provides that funds collected by the
20 Debtors as billing agent for programs pursuant to an express CPUC directive such as CCAs like PCE
21 are not subject to DIP Liens. (Interim DIP Order ¶3(y); Schedule A). That is critical to PCE and
22 other CCAs to allow payments received from the Debtors’ customers to remain unencumbered. PCE
23 joins in the pleadings filed by other CCAs in support of the relief requested in the DIP Motion,
24 including, without limitation, Sonoma Clean Power Authority’s Statement of Support for Debtors’
25 Motion for Postpetition Financing and Reservation of Rights dated January 29, 2019 (ECF No. 65).

26 4. PCE expressly reserves its rights to object to any modification of the relief requested

27 ¹ Capitalized terms not defined herein shall have the meanings ascribed to such terms in the DIP
28 Motion.

1 in the DIP Motion or in the proposed Interim DIP Order that would seek to include any right, title
2 and interest in any asset or property (or any asset or property in respect of a program) set forth on
3 Schedule A of the proposed Interim DIP Order.

4 WHEREFORE, PCE respectfully requests that the Court (i) approve the relief requested in
5 the DIP Motion without any modification to the limitation on DIP Liens set forth in Schedule A to
6 the proposed Interim DIP Order, and (ii) grant such other and further relief as the Court may deem
7 just and appropriate.

8 DATED: January 30, 2019

9 WINSTON & STRAWN LLP

10 By: /s/Justin E. Rawlins
11 Justin E. Rawlins
David Neier (*pro hac vice requested*)

12 *Attorneys for Creditor*
13 *Peninsula Clean Energy Authority*